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January 18, 1991

BY TELECOPY AND MESSENGER

Steven Siegel, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
230 South Dearborn Street
Chicago, Illinois 60604

Re: Granite City Site--Response to 106 Order

Dear Steve:

Please accept the letter dated January 17, 1991 by David Butterworth as the response of the parties on Exhibit A to the Unilateral Administrative Order.

Very truly yours,



Dennis P. Reis

Enclosure

cc: Brad Bradley
Allen Held

WGD91A17.URC (1/18/91 12:47pm)

EPA Region 5 Records Ctr.



257799

EXHIBIT A

Participants to Response to 106 Order

NL Industries
Johnson Controls (for Globe Union)
AT&T
Exide Corporation (for ESB and General Battery Corporation)
Allied-Signal Inc. (for Prestolite)
Philipp Brothers, Inc.
Federal Cartridge Corporation
Chemetco
Alter Trading Corporation
Madewell & Madewell
General Motors
Morris Tick, Inc.
Sol Tick & Co.
Ford Motor Company

Carve-out

Liability

* owner/operator - 65% liability

-\$27,568,000 total site cost x 0.65 = \$17,919,200; owner/operator share of total site cost. NL had its own separate lead collection operation, which generated about one-half of the total lead sent to the smelter. This 50% volumetric share is not reflected in the EPA ranking summary. This large NL generator share needs to be factored into an liability equation.

* generators - 35% liability

- % of total site amount x 1.466 (viability factor) = % of generator liability. A Viability Factor is to account for non-viable potential settlers, since a significant number of PRP generators are bankrupt or out of business.

-Globe Union - 14.7% total site x 1.466 = 21.55%; corrected percent of viable generator liability.

-\$27,568,000 (total site cost) - \$17,919,200 (o/o share) = \$9,648,800; generator share of total site cost.

-\$9,648,800 (total generator share) x 0.2155 = \$2,079,316; Globe Union share of total site cost.

-\$9,648,800 (total generator share) - \$2,079,316 (Globe Union share) = \$7,569,484; viable potential settling generator share.

\$7,569,484 is the viable potential settling generator's share of the overall generator's share of \$9,648,800. The viable non-settler's share is \$2,079,316 of the \$9,648,800. These monetary shares may change depending upon the volumetric percentages of settling versus non-settling parties.

* Viability Factor (VF) - to normalize % of potentially viable generators.

- 1st - 47th total generator % = 81.654%; yet only 65.586% is from viable parties.

- 48th - 362nd total generator % = 18.346%; yet only approximately one-seventh would be anticipated to be viable settlers. $18.346\% \times 0.143 = 2.624\%$; % of viable generators below 47th rank.

- 65.586% (% of viable generators 1st to 47th rank) + 2.624% (% of viable generators 48th to 362nd rank) = 68.210% as total % of viable generators.

- $VF = \frac{100\%}{68.210\%} = 1.466$; factor to normalize %

The viability factor is utilized to normalize the overall viable generators percentage of 68.210% to 100%. This is required to makeup for non-viable party percentages.